

# B S R & Co. LLP

Chartered Accountants

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## **Auditors' Report on quarterly financial results and year to date financial results of KMC Speciality Hospitals (India) Limited pursuant to Clause 41 of the Listing Agreement**

To  
The Board of Directors of KMC Speciality Hospitals (India) Limited

We have audited the accompanying annual financial results of KMC Speciality Hospitals (India) Limited ("the Company") for the year ended March 31, 2015, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended March 31, 2015 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended March 31, 2015

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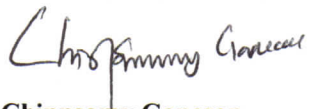
**B S R & Co. LLP**

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

*for* **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration No.: 101248W/W-100022



**Chinnsamy Ganesan**

*Partner*

Membership No: 27501

Place: Trichy

Date: May 29, 2015

**KMC Speciality Hospitals (India) Limited**  
 Regd. Office: 6, Royal Road, Cantonment, Trichy - 620 001  
 Corporate Identity Number: L85110TN1982PLC009781

**Part I: Statement of audited results for the quarter and year ended March 31, 2015** Rs. In Lakhs

Particulars	Quarter ended			Year ended	Year ended
	March	December	March	March	March
	31, 2015	31, 2014	31, 2014	31, 2015	31, 2014
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	(Refer Note 5)		(Refer Note 5)		
<b>1. Income from operations</b>					
a) Net sales / income from operations (net of excise duty)	924.69	966.60	855.55	3,624.36	3,187.84
b) Other operating income	1.78	2.03	1.67	5.33	3.07
<b>Total Income from operations (net)</b>	<b>926.47</b>	<b>968.63</b>	<b>857.22</b>	<b>3,629.69</b>	<b>3,190.91</b>
<b>2. Expenses</b>					
a) Cost of materials consumed	28.78	23.65	26.94	108.51	96.93
b) Purchases of stock-in-trade	139.40	142.03	138.11	538.05	469.82
c) Changes in inventories of stock-in-trade	(10.56)	2.46	(5.02)	(7.93)	0.35
d) Employee benefits expense	226.56	234.59	174.50	888.49	846.78
e) Depreciation and amortisation expense	93.72	95.01	159.93	379.35	421.93
f) Doctor fees	215.62	241.96	194.94	841.78	715.56
g) Other expenses	186.73	179.04	352.09	697.67	896.96
<b>Total expenses</b>	<b>880.25</b>	<b>918.74</b>	<b>1,041.49</b>	<b>3,445.92</b>	<b>3,448.33</b>
<b>3. Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>46.22</b>	<b>49.89</b>	<b>(184.27)</b>	<b>183.77</b>	<b>(257.42)</b>
4. Other income	4.36	11.76	313.93	21.24	318.46
<b>5. Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>50.58</b>	<b>61.65</b>	<b>129.66</b>	<b>205.01</b>	<b>61.04</b>
6. Finance costs	45.06	46.94	52.26	192.62	215.85
<b>7. Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>5.52</b>	<b>14.71</b>	<b>77.40</b>	<b>12.39</b>	<b>(154.81)</b>
8. Exceptional items	-	-	-	-	-
<b>9. Profit/(loss) from ordinary activities before tax (7-8)</b>	<b>5.52</b>	<b>14.71</b>	<b>77.40</b>	<b>12.39</b>	<b>(154.81)</b>
10. Tax (expense)/benefit	1.31	(1.31)	51.59	-	125.21
<b>11. Net profit/(loss) from ordinary activities after tax (9+10)</b>	<b>6.83</b>	<b>13.40</b>	<b>128.99</b>	<b>12.39</b>	<b>(29.60)</b>
12. Extraordinary items	-	-	-	-	-
<b>13. Net profit/(loss) for the period (11-12)</b>	<b>6.83</b>	<b>13.40</b>	<b>128.99</b>	<b>12.39</b>	<b>(29.60)</b>
14. Paid-up equity share capital (Face value Rs. 1/- each)	1,630.85	1,630.85	1,630.85	1,630.85	1,630.85
15. Reserves (excluding revaluation reserves)	NA	NA	NA	(611.62)	(624.01)
<b>16 (i). Earnings per share (before and after extraordinary items) of Rs. 1/- each :</b>					
(a) Basic	0.00	0.01	0.08	0.01	(0.02)
(b) Diluted	0.00	0.01	0.08	0.01	(0.02)
	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised

**Part II: Selected information for the quarter and year ended March 31, 2015**

A. PARTICULARS OF SHAREHOLDING					
<b>1. Public shareholding</b>					
- Number of shares	40,771,250	40,771,250	40,771,250	40,771,250	40,771,250
- Percentage of shareholding	25.00%	25.00%	25.00%	25.00%	25.00%
<b>2. Promoters and Promoter Group Shareholding</b>					
a) Pledged / Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%
- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%
b) Non - encumbered					
- Number of shares	122,313,750	122,313,750	122,313,750	122,313,750	122,313,750
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	75.00%	75.00%	75.00%	75.00%	75.00%
<b>B. INVESTOR COMPLAINTS</b>					
<b>Particulars</b>					
Pending at the beginning of the quarter			Nil		
Received during the quarter			Nil		
Disposed off during the quarter			Nil		
Remaining unresolved at the end of the quarter			Nil		

**Notes:**

- The above results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2015.
- The above statement of financial results have been subjected to limited review by the statutory auditors. The statutory auditors have expressed an unqualified opinion.
- The Company has identified "Hospital Service" as its single reportable business segment. Hospital service segment comprises hospital revenues, pharmacy revenues and other allied revenues.



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## 4) Standalone statement of assets and liabilities

(Rs. In Lakhs)

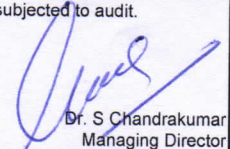
Particulars	As at March 31, 2015 (Audited)	As at March 31, 2014 (Audited)
<b>A. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' funds</b>		
(a) Share capital	1,630.85	1,630.85
(b) Reserves and surplus	(611.62)	(624.01)
<b>Sub-total - Shareholders' funds</b>	<b>1,019.23</b>	<b>1,006.84</b>
<b>2. Non-current liabilities</b>		
(a) Long-term borrowings	949.32	1,226.17
(b) Deferred tax liabilities (net)	-	-
(c) Other non current liabilities	13.59	12.41
(d) Long-term provisions	187.38	156.55
<b>Sub-total - Non-current liabilities</b>	<b>1,150.29</b>	<b>1,395.13</b>
<b>3. Current liabilities</b>		
(a) Short-term borrowings	96.43	88.50
(b) Trade payables	296.32	291.81
(c) Other current liabilities	534.29	552.11
(d) Short-term provisions	3.38	2.29
<b>Sub-total - Current liabilities</b>	<b>930.42</b>	<b>934.71</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>3,099.94</b>	<b>3,336.68</b>
<b>B. ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Fixed assets	2,538.88	2,865.95
(b) Long-term loans and advances	291.55	188.68
(c) Other non-current assets	8.63	4.00
<b>Sub-total - Non-current assets</b>	<b>2,839.06</b>	<b>3,058.63</b>
<b>2. Current assets</b>		
(a) Inventories	72.71	73.77
(b) Trade receivables	119.35	95.92
(c) Cash and cash equivalents	30.33	42.32
(d) Short-term loans and advances	7.52	18.30
(e) Other current assets	30.97	47.74
<b>Sub-total - Current assets</b>	<b>260.88</b>	<b>278.05</b>
<b>TOTAL - ASSETS</b>	<b>3,099.94</b>	<b>3,336.68</b>

5) The results for the year ended March 31, 2014, includes prior period income Rs 49.52 lakhs (net of prior period expenses of Rs.252.30 lakhs) primarily comprising of liability reversals, certain employee benefit related expenses, rates and taxes etc and prior period tax benefit of Rs.102.60 lakhs.

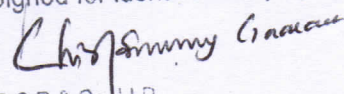
6) Figures for the three months ended March 31, 2015 and March 31, 2014 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter ended December 31, 2014 and December 31, 2013 respectively. Also, the figures upto the end of the third quarter ended December 31, 2014 and December 31, 2013 were only reviewed and not subjected to audit.

7) Previous periods's figures have been regrouped / reclassified, wherever necessary.

Place: Trichy  
Date: May 29, 2015

  
Dr. S Chandrakumar  
Managing Director  
DIN: 01867847

Signed for identification purposes only

  
B S R & Co. LLP